



DIRECTORATE OF INTELLIGENCE

# Central Intelligence Bulletin

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SOUTH VIETNAM: The Communists are still giving considerable attention to their subversive activities throughout South Vietnam and, according to recent reports, appear to be having some success.

In the delta, a majority of the 29 government guard posts overrun by the Viet Cong during the first two months of 1971 were set up for the enemy by traitors on the inside. A former enemy recruiter who operated in Phong Dinh Province says that several territorial outposts there have at least one penetration agent in them and that when he defected 50 more enemy agents were planning to filtrate friendly ranks.

Enemy documents captured recently in Long Khanh Province, in Military Region (MR) 3 east of Saigon, indicate that a large number of South Vietnamese Army (ARVN) soldiers have been recruited as penetration agents in the two regiments of the ARVN's 18th Infantry Division and that numerous other agents have been recruited among government territorial forces in the district where the division is head-quartered. In MR 1, another enemy document outlines Communist subversive plans for Quang Nam Province and instructs Viet Cong recruiters to expand and increase their efforts against the government's territorial security units.

Within the past two years the Communists have come to regard the territorial forces as posing the most direct threat to their activities, because they bring the government closer to the people. Moreover, their many outposts are relatively vulnerable and make good targets for the Communists to attack. Viet Cong attempts to subvert these forces undoubtedly will be expanded in the months ahead. They will continue to meet with some success until South Vietnamese territorial and police forces are better trained

to cope with these Communist tactics.

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COMMUNIST CHINA - JAPAN: The signing of the joint communiqué for this year's memorandum trade talks--the only semiofficial link between the two countries--reveals no change in Peking's antagonism toward the Sato government.

The communiqué was signed after only two weeks of low-key bargaining by Chinese negotiators and representatives from Japan's ruling Liberal Democratic Party. It contains most of the points carried in last year's document that took almost six weeks to work out. There are the standard denunciations of the revival of Japanese militarism, of Tokyo's policies toward Taiwan and the US, and of continued Japanese hostility toward China. There is also a paragraph condemning the efforts of the Japanese, the Chinese Nationalists, and South Koreans to exploit jointly oil resources in the East China Sea.

In addition, a version of the "four principles" for a continuation of trade with Japan is included for the first time. These principles are designed to place political controls on Japanese firms dealing with China. Their formalization in the communiqué does not suggest, however, that they are significant obstacles to expanding trade.

The memorandum trade agreement affects less than ten percent of Japan's trade with China. Tokyo has officially welcomed the continuation of the agreement, but has specifically rejected Chinese criticisms of Japanese policies. Widespread popular sentiment in Japan for improving relations with China makes a continuation of the channel important politically for the Sato government. The Japanese no doubt take some comfort in the fact that the communique does not present a harsher denunciation of Sato's policies than that of last year, but at the same time Tokyo will probably point to the communique as further evidence that Peking is the principal obstacle to improved relations.

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PAKISTAN: President Yahya Khan has taken steps to increase control over the political situation, but his ability to influence the course of events in East Pakistan is still limited.

On 1 March, Yahya removed the five provincial governors and named martial law administrators to head the civil administrations. The move was apparently aimed primarily at East Pakistan where he replaced Admiral Ahsan-who has tended to rule leniently-with the somewhat tougher local army commander. The four governors in West Pakistan-all lieutenant generals-were reappointed martial law administrators.

Yahya has also imposed press restrictions. He presumably hopes to limit the impact of statements and activities of East Pakistani leaders. Radio-broadcasts yesterday ignored the unfavorable East Pakistani reaction to the postponement of the National Assembly.

In East Pakistan, meanwhile, a general strike called by Awami League leader Mujibur Rahman completely tied up the capital of Dacca yesterday; the strike is to be extended to the rest of the province today. Martial law authorities have placed Dacca under nighttime curfew in response to assorted acts of violence.

Mujib at a press conference on 1 March attacked the postponement of the National Assembly, and gave no hint of compromise on his plan for extensive provincial autonomy. He said he would consult with other Bengali leaders and called for a mass rally on 7 March when he would announce future plans. Although he may limit himself to a movement based on noncooperation with the West Pakistani - dominated government, the atmosphere in Dacca is conducive to a unilateral declaration of independence for East

Pakistan.

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YEMEN (SANA): The prime minister has resigned amid the chaotic and obscure political maneuvering usual in Yemen.

Sana Radio announced without explanation the

resignation of Prime Minister Muhsim al-Ayni on 25
February.

his resignation may have been a tactical maneuver that he hopes will eventually allow him to strengthen his political position and return to power.

The immediate reason for his abdication may have been a fit of pique following a dispute with tribal leaders over a cut he effected in their subsidies. This problem reportedly involved the prime minister in yet another dispute with his chief rival in the government, commander in chief of the armed forces Hasan al-Amri, who sided with the tribal leaders against al-Ayni.

If the prime minister remains out of politics, the government will be deprived of a skilled compromiser on both domestic and southern Arabian problems. It is too early to speculate on al-Ayni's future, however, for little if anything is ever predictable in Yemeni politics except perennial factionalism.

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YUGOSLAVIA-USSR: Yugoslav Foreign Minister Tepavac's visit to the Soviet Union last week was short on positive substantive results, but proved that both parties can talk without launching into polemics.

In the final analysis, the resulting communiqué is most interesting for what it does not say. There is no mention of the expected conclusion of a cultural agreement which has been stalled because of Yugoslav insistence that it be written in the Macedonian language. The usual Yugoslav support for the seating of Communist China in the UN is absent; and finally, although the communiqué expresses in generalities satisfaction with mutual relations, there is no specific reference to the 1955 Soviet-Yugoslav Belgrade declaration, although its principles governing bilateral ties were cited.

The Soviets finally accepted in principle a long-standing Yugoslav request to begin talks on an agreement on the information activities each carries on in the other's country. No date, however, was set for the talks to begin. Last spring, Belgrade privately asked Moscow to curb its massive propaganda distribution in Yugoslavia to a level equal to that allowed the Yugoslav Embassy in Moscow. Until now the matter has not been mentioned in public by the Soviets.

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VENEZUELA: Two recent kidnapings have raised the specter of renewed terrorism.

In early February a wealthy businessman was kidnaped, and on Monday the young son of another prominent family was seized. Evidence links the first kidnaping to extremists, but it is not clear if the second was politically motivated. Both victims are being held for high ransoms. Wealthy Venezuelans are again becoming jittery, and opposition parties are taking advantage of the situation to condemn President Caldera's handling of the insurgency problem.

Although extremist groups are probably too weak to undertake a serious insurgency effort, they are capable of carrying out isolated acts of terrorism. Should additional incidents, especially kidnapings, take place, the government will come under increasing pressure to take stronger action against the leftist extremists.

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#### NOTES

NORWAY: Prime Minister Borten has submitted his government's resignation and is expected to recommend that the president of Parliament, a conservative, be invited to lead talks on the formation of a new cabinet. This move, combined with the adjournment of Parliament until Friday, allows the four bourgeois parties additional time to negotiate an extension of the center-right coalition. Among those suggested to succeed Borten are Helge Seip, a liberal and leader of the bourgeois bloc in Parliament, and John Lyng, a conservative and prime minister in the short-lived bourgeois government of 1963. If these efforts fail, the way will be clear for opposition Labor Party chairman Trygve

Bratteli to form a minority government.

PHILIPPINES-JAPAN: For the first time in two years Manila may import rice to offset a recent crop shortfall, partially caused by typhoon damage. Manila is planning to import up to 300,000 tons of rice from Japan, equivalent to roughly five percent of its domestic requirements. Foreign exchange costs will be insignificant because of an expected long-term loan from Japan and because Manila hopes to generate substantial government earnings from the sale of rice on the local market. From the portunity to reduce its enormous rice stock, roughly equal to total world rice imports last year.

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COLOMBIA: A minimum of violence accompanied yesterday's demonstration in Bogota by several thousand students. The demonstrators were protesting the government occupation of a university in Cali and the death of a student, one of several people killed. Communists and other leftists are still trying to organize a student strike for 4 March. The disturbances coincide with a teachers' strike, widespread invasions of private lands by campesinos, and preparations for a general work stoppage on 8 March.

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